

# Retirement *in Sight*

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES  
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## QUOTE OF THE MONTH

*"To me, old age is always 15 years older than I am."*

BERNARD M. BARUCH

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## THINK OF YOUR RETIREMENT IN THREE PHASES

Phases, stages, acts, chapters, steps. Whatever you want to call them, consider that your retirement may unfold in a way many others have, in three successive financial segments. Your budget and income could see adjustments as you move from one phase into the next.

In the first phase of retirement, is not uncommon to arrange some "peak experiences" and live some longstanding dreams. These adventures sometimes cost more than new retirees expect, which can be a major financial concern given two possibilities: the prospect of retiring before you are eligible for your full Social Security benefits, and a probable reduction in your household income. If you retire early, you might want to tap tax-advantaged retirement savings accounts first. If you retire to a lower tax bracket, then shifting tax-deferred investments into a Roth IRA could be wise. A Roth IRA conversion is a taxable event, but the tax paid upon the conversion may be at a lower rate than you would pay later when taking Required Minimum Distributions (RMDs). After age 70, retirement may start to become more about relaxation; one key is to keep RMDs from pushing you into a higher tax bracket. After 85, paying for long term care may become the biggest financial worry – and so you may want to look at forms of LTC coverage now, as that coverage could help you avoid spending down your savings.<sup>1</sup>



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## HEALTH TIP

### *Nuts can be nutritious*

Some people think consuming nuts will make them fat. Yes, nuts are high in fat, but about 10-15% of the calories within them are not even retained by the body. Some studies even suggest almonds and other varieties of nuts may promote weight loss. Besides, nuts contain copious amounts of magnesium, vitamin E, and fiber – which are all very good for you.

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## WHO SHOULD YOU HAVE IN YOUR CORNER IN RETIREMENT?

If you spend time with great people, will you elevate your life and experiences? It's certainly possible. How does this apply after you retire? Who are the friends you need most?

Your spouse or partner is probably your best friend, and no doubt at the top of the list. Beyond him or her, others count. A lifelong friend, one who has known you since childhood, can be a candid, understanding confidante. A friend you meet through a hobby or pastime, one you share that interest with, can keep you social. A friend who volunteers or works part-time can inspire you to do the same. Lastly, a good friend who knows something about financial matters can be a sounding board and a resource – and yes, a financial professional sometimes becomes that good friend to a retiree household. Research from the *Psychology Bulletin* finds that people have the most friends in their twenties, and the number tends to gradually lessen with age. Quality, not quantity, is what is important.<sup>2</sup>



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## DID YOU KNOW?

## *The \$20 bill honors a man who hated paper money*

Andrew Jackson, our seventh President, was a big fan of gold and silver. He argued against paper currency during his entire eight-year term, even in his 1837 farewell address where he cautioned the country of its “mischiefs and dangers.”<sup>3</sup>

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### ON THE *BRIGHT SIDE*

If you can work past Social Security’s Full Retirement Age, you will realize greater monthly retirement benefits. The average 67-year-old who retires at FRA today gets about \$1,400 a month from Social Security; if they keep working and claims Social Security at age 70, that monthly benefit will rise to \$1,736. Waiting three more years to retire projects to an additional \$80,640 in Social Security income over 20 years.<sup>4</sup>



### BRAIN TEASER

*Dwight watches TV while his wife Alicia reads a book. Suddenly, the power goes out. Dwight goes to bed, but Alicia keeps reading in total darkness, without any light source at all. How?*

STUMPED? CALL «REPRESENTATIVEPHONE» FOR THE ANSWER!

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CITATIONS.

- 1 - [twincities.com/2018/08/11/your-money-budgeting-for-the-phases-of-retirement/](https://twincities.com/2018/08/11/your-money-budgeting-for-the-phases-of-retirement/) [8/11/18]
- 2 - [lovebeingretired.com/2017/11/24/the-4-friends-everyone-needs-for-a-happy-retirement/](https://lovebeingretired.com/2017/11/24/the-4-friends-everyone-needs-for-a-happy-retirement/) [11/24/17]
- 3 - [listverse.com/2017/06/27/10-little-known-facts-from-history-that-are-truly-outrageous/](https://listverse.com/2017/06/27/10-little-known-facts-from-history-that-are-truly-outrageous/) [6/27/18]
- 4 - [money.cnn.com/2018/08/07/retirement/boost-retirement-income/index.html](https://money.cnn.com/2018/08/07/retirement/boost-retirement-income/index.html) [8/7/18]